Beaufort Sea Play 11: Brookian Unstructured Western Turbidite

Geological Assessment:

GRASP UAI: (AAAAABAS)
Play Area: 3,048 square miles
Play Water Depth Range: 5 – 800 feet
Play Depth Range: 3000 – 23000 feet
Play Exploration Chance: 0.3840

Play 11, Brookian Unstructured Western Turbidites, Beaufort Sea OCS Planning Area, 2006 Assessment, Undiscovered Technically-Recoverable Oil & Gas

Assessme	Assessment Results as of November 2005											
Resource Commodity	Resources *											
(Units)	F95	Mean	F05									
BOE (Mmboe)	0	218	777									
Total Gas (Tcfg)	0.000	0.324	1.165									
Total Liquids (Mmbo)	0	161	569									
Free Gas** (Tcfg)	0.000	0.217	0.778									
Solution Gas (Tcfg)	0.000	0.107	0.387									
Oil (Mmbo)	0	151	536									
Condensate (Mmbc)	0	10	33									

^{*} Risked, Technically-Recoverable

F05 = 5% chance that resources will equal or exceed the given quantity

BOE = total hydrocarbon energy, expressed in barrels-of-oilequivalent, where 1 barrel of oil = 5,620 cubic feet of natural gas

Mmb = millions of barrels
Tcf = trillions of cubic feet

Table 1

Play 11, the "Brookian Unstructured Western Turbidite" play, contains less than 2% of the Beaufort Sea Province hydrocarbon endowment (218 Mmbo mean BOE). The overall assessment results for play 11 are shown in table 1. Liquid hydrocarbons are likely to comprise 74% of the play's resources. Table 5 reports the

detailed assessment results by commodity for play 11.

Table 3 summarizes the volumetric input data developed for the *GRASP* computer model of Beaufort Sea play 11. Table 4 reports the risk model used for play 11. The location of play 11 is shown in figure 1.

Play 11 occurs within the Lower Cretaceous prodelta shales and turbidite sandstones of the Torok Formation (lower part of the Brookian sequence). It mostly underlies the Brookian Unstructured Western Topset play (play 9). Expected reservoirs include turbidite sands deposited in submarine fan environments. Sandstones are likely to offer only poor reservoir quality due to the finegrained and mud-rich nature of the sediments fed to the shelf break by the Nanushuk delta system. The Torok Formation, Pebble Shale, Kingak shale and Shublik Formation all form potential source rocks for charging reservoirs in this play. The Kingak shale in this area may be oil prone, but probably reaches sufficient thermal maturity only in rift grabens with expanded sedimentary thicknesses. Prospects are primarily stratigraphic traps formed by sand mounds within a shale sequence. The Phoenix well tested heavy oil in the Torok Formation and the Mukluk well had several Torok Formation oil shows.

As in the other Western Brookian plays, reservoir quality is the primary risk element for this play. The presence of closure and adequate migration are also risk factors.

A maximum of 12 hypothetical pools is forecast by the aggregation of the risk model and the prospect numbers model for play 11.

^{**} Free Gas Includes Gas Cap and Non-Associated Gas F95 = 95% chance that resources will equal or exceed the given quantity

These pools range in mean conditional (unrisked) recoverable volumes from 4 Mmboe (pool rank 12) to 193 Mmboe (pool rank 1). Pool rank 1 ranges in possible conditional recoverable volumes from 15 Mmboe (F95) to 668 Mmboe (F05). Table 2 shows the conditional sizes of the 10 largest pools in play 11.

Play 11, Brookian Unstructured Western Turbidites, Beaufort Sea OCS Planning Area, 2006 Assessment, Conditional BOE Sizes of Ten Largest Pools

Assessme	Assessment Results as of November 2005											
Pool Rank	BOE Resources *											
1 oor rank	F95	Mean	F05									
1	15	193	668									
2	5	58	178									
3	3	29	85									
4	1.68	18	52									
5	1.17	13	36									
6	0.89	10	27									
7	0.73	8	22									
8	0.60	6.5	18									
9	0.50	5.5	15									
10	0.43	4.8	13									

^{*} Conditional, Technically-Recoverable, Millions of Barrels Energy-Equivalent (Mmboe), from "PSRK.out" file

F05 = 5% chance that resources will equal or exceed the given

BOE = total hydrocarbon energy, expressed in barrels-of-oilequivalent, where 1 barrel of oil = 5,620 cubic feet of natural cas

Table 2

Table 6 reports statistics for the simulation pools developed in the *GRASP* computer model for play 11. In the computer simulation for the play, a total of 29,469 "simulation pools" were sampled for size. These simulation pools can be grouped according to the USGS size class system in which sizes double with each successive class. Pool size class 10 contains the largest share (5,886, or 20%) of simulation pools (conditional, technically recoverable BOE resources) for play 11. Pool size class 10

ranges from 16 to 32 Mmboe. The largest pool among the 29,469 simulation pools falls within pool size class 17, which ranges in size from 2,048 to 4,096 Mmboe.

F95 = 95% chance that resources will equal or exceed the given quantity

<u>Basin</u> : Beaufort <u>Play Number</u> : 11 <u>Play UAI Number</u> : AAAAABAS			Assessor: Johnson/Scherr <u>Date</u> : Play Name: Brookian Unstructured Western Turbidite							10/14/2005			
Play Area: mi² (million acres) Reservoir Thermal Maturity: % Ro	3048 (1950	.8)	Play Depth Range: feet 3000 Expected Oil Gravity: OAPI 25							23000			
					Play Wate	r Depth Range: fe	et	5	60	800			
POOLS Module (Volumes of Pools, Acre-Feet)													
Fractile	F100	F95	F90	F75	F50	Mean/Std. Dev.	F25	F15	F10	F05	F02	F01	F00
Prospect Area (acres)-Model Input	142	1072		2752	5200		10208			26211		40000	60000
Prospect Area (acres)-Model Output													
Fill Fraction (Fraction of Area Filled)	0.1	0.14		0.29	0.5		0.76			0.95		0.99	
Productive Area of Pool (acres)	14.94588	339.48788	531.5544	1108.458	2527.138	354.139/ 8713.669	5594.699	8503.049	11659.32	17020.6055			58949.6
Pay Thickness (feet)	7.0	21.9	26.6	36.9	53.0	61.486/36.492	76.2	92.6	105.6	128.4	160.0	185.3	392.0
MPRO Module (Numbers o	f Pools	\											
Play Level Chance	0.8		Prospect L	evel Chan	ce	0.48		ſ	Exploration	n Chance		0.384	
								_					
Risk Model	Play (Chance			Petr	oleum System Fac		Prospect Chance					
	C	.8				Presence of Closur							
					Prese	ence of Reservoir F		0.6					
			Adequate Migration								3		
Fractile	F99	F95	F90	F75	F50	Mean/Std. Dev.	F25 F15 F10		F10	F05	F02	F01	F00
Numbers of Prospects in Play	4.00	4.70	5.10	5.95	7.00	7.68/1.72	8.20	9.00	9.40	10.30	11.30	11.90	12.00
Numbers of Pools in Play			0@F79.1	1	3	2.95/2.06	4	5	6	6	7	8	12
Minimum Number of Pools	0		Mean	Number of	Pools	2.95		Maximu	m Number	of Pools	12		
		_					'						
		iv Resc	ources)					1				504	
POOLS/PSRK/PSUM Modu	· ` `	•		F-7-	F.C.	Maan/St-L D-	E0E	E4-			F02	F01	F00
Fractile	F100	F95	F90	F75	F50	Mean/Std. Dev.	F25	F15	F10	F05	400.0		858.0
Fractile Oil Recovery Factor (bbl/acre-foot)	F100 42.0	F95 97.5	F90	144.5	190.0	206.636 / 88.921	249.8	289.2	319.5	370.2	436.9	488.0	-0:
Fractile Oil Recovery Factor (bbl/acre-foot) Gas Recovery Factor (Mcfg/acre-foot)	F100 42.0 122	F95 97.5 343	F90 113.0 411	144.5 557	190.0 781	206.636 / 88.921 887.76/483.429	249.8 1094	289.2 1311	319.5 1483	370.2 1778	2181	2500	
Fractile Oil Recovery Factor (bbl/acre-foot) Gas Recovery Factor (Mcfg/acre-foot) Gas Oil Ratio (Sol'n Gas)(cf/bbl)	F100 42.0 122 68	F95 97.5 343 229	F90 113.0 411 283	144.5 557 404	190.0 781 600	206.636 / 88.921 887.76/483.429 715.843/ 470.258	249.8 1094 891	289.2 1311 1102	319.5 1483 1272	370.2 1778 1574	2181 2000	2500 2347	5309
Fractile Oil Recovery Factor (bbl/acre-foot) Gas Recovery Factor (Mcfg/acre-foot) Gas Oil Ratio (Sol'n Gas)(cf/bbl) Condensate Yield ((bbl/Mmcfg)	F100 42.0 122 68 7.60	F95 97.5 343 229 19.21	F90 113.0 411 283 22.58	144.5 557 404 29.61	190.0 781 600 40.00	206.636 / 88.921 887.76/483.429 715.843/ 470.258 44.286/21.197	249.8 1094 891 54.04	289.2 1311 1102 63.51	319.5 1483 1272 70.85	370.2 1778 1574 83.31	2181 2000 99.98	2500 2347 112.90	
Fractile Oil Recovery Factor (bbl/acre-foot) Gas Recovery Factor (Mcfg/acre-foot) Gas Oil Ratio (Sol'n Gas)(cf/bbl) Condensate Yield ((bbl/Mmcfg)	F100 42.0 122 68 7.60	F95 97.5 343 229 19.21	F90 113.0 411 283	144.5 557 404 29.61	190.0 781 600 40.00	206.636 / 88.921 887.76/483.429 715.843/ 470.258	249.8 1094 891 54.04	289.2 1311 1102 63.51	319.5 1483 1272 70.85	370.2 1778 1574	2181 2000 99.98	2500 2347 112.90	5309
Fractile Oil Recovery Factor (bbl/acre-foot) Gas Recovery Factor (Mcfg/acre-foot) Gas Oil Ratio (Sol'n Gas)(cf/bbl) Condensate Yield ((bbl/Mmcfg) Pool Size Distribution Statistics from POOL	F100 42.0 122 68 7.60	F95 97.5 343 229 19.21	F90 113.0 411 283 22.58 μ (mu)= 10	144.5 557 404 29.61 .2290800	190.0 781 600 40.00 σ² (sigma	206.636 / 88.921 887.76/483.429 715.843/ 470.258 44.286/21.197	249.8 1094 891 54.04 443	289.2 1311 1102 63.51	319.5 1483 1272 70.85	370.2 1778 1574 83.31	2181 2000 99.98	2500 2347 112.90	5309
Fractile Oil Recovery Factor (bbl/acre-foot) Gas Recovery Factor (Mcfg/acre-foot)	F100 42.0 122 68 7.60 -S (1,000 B	F95 97.5 343 229 19.21	F90 113.0 411 283 22.58 μ (mu)= 10	144.5 557 404 29.61 .2290800	190.0 781 600 40.00 σ² (sigma	206.636 / 88.921 887.76/483.429 715.843/ 470.258 44.286/21.197 squared)= 2.02456	249.8 1094 891 54.04 443	289.2 1311 1102 63.51	319.5 1483 1272 70.85	370.2 1778 1574 83.31 umber Gene	2181 2000 99.98	2500 2347 112.90	5014 5309 210.20

Table 3. Input data for Beaufort Sea play 11, 2006 assessment.

Risk Analysis Form - 2006 National Assessment 11, Brookian Unstructured Western Assessment Province: Beaufort Play Number, Name: Turbidite Assessor(s): Johnson/Scherr Play UAI: AAAAABAS Date: 20-Oct-05 For each component, a quantitative probability of success (i.e., between zero and one, where zero indicates no confidence and one indicates absolute certainty) based on consideration of the qualitative assessment of ALL elements within the component was assigned. This is the assessment of the probability that the minimum geologic parameter assumptions have been met or exceeded. Averge Conditional **Play Chance** Factors Prospect Chance¹ 1. Hydrocarbon Fill component (1a * 1b * 1c) 1 1.0000 0.8000 a. Presence of a Quality, Effective, Mature Source Rock Probability of efficient source rock in terms of the existence of sufficient volume of mature source 1.00 1.00 1a rock of adequate quality located in the drainage area of the reservoirs. b. Effective Expulsion and Migration Probability of effective expulsion and migration of hydrocarbons from the source rock to the 1b 1.00 0.80 reservoirs. c. Preservation Probability of effective retention of hydrocarbons in the prospects after accumulation. 1c 1.00 1.00 2. Reservoir component (2a * 2b) 2 1.0000 0.6000 a. Presence of reservoir facies Probability of presence of reservoir facies with a minimum net thickness and net/gross ratio (as 2a 1.00 0.60 specified in the resource assessment). b. Reservoir quality Probability of effectiveness of the reservoir, with respect to minimum effective porosity, and 2b 1.00 1.00 permeability (as specified in the resource assessment) 3. Trap component (3a * 3b) 3 0.8000 1.0000 a. Presence of trap Probability of presence of the trap with a minimum rock volume (as specified in the resource За 0.80 1.00 assessment). b. Effective seal mechanism Probability of effective seal mechanism for the trap. 3b 1.00 1.00 Overall Play Chance (Marginal Probability of hydrocarbons, MPhc) (1 * 2 * 3) Product of All Subjective Play Chance Factors 0.8000 Average Conditional Prospect Chance¹ 0.4800 (1 * 2 * 3) Product of All Subjective Conditional Prospect Chance Factors Assumes that the Play exists (where all play chance factors = 1.0) Must be consistent with play chance and prospect distribution -- See discussion on Page 3 of Guide **Exploration Chance** 0.3840 (Product of Overall Play Chance and Average Conditional Prospect Chance) Comments: See guidance document for explanation of the Risk Analysis Form

Table 4. Risk model for Beaufort Sea play 11, 2006 assessment.

GRASP - Geologic and Economic Resource Assessment Model - PSUM Module Results

Minerals Management Service - Alaska OCS Region GRASP Model Version: 8.29.2005) Computes the Geologic Resource Potential of the Play

Play UAI: AAAAABAS	Play No.	11
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World Level - World Level Resources
Country Level - UNITED STATES OF AMERICA

Region Level - MMS - ALASKA REGION
Basin Level - BEAUFORT SHELF

Play Level - Play 11 Brookian Unstructured
Geologist Peter Johnson Western Turbidite

Remarks Play 11 2005 assessment

Run Date & Time: Date 19-Sep-05 Time 13:49:18

Summary of Play Potential

Product	MEAN	Standard Deviation			
BOE (Mboe)	218,390	310,260			
Oil (Mbo)	151,120	220,300			
Condensate (Mbc)	9,633	16,265			
Free (Gas Cap & Nonassociated) Gas (Mmcfg)	216,870	330,260			
Solution Gas (Mmcfg)	107,100	181,290			

10000 (Number of Trials in Sample)

0.7908 (MPhc [Probability] of First Occurrence of Non-Zero Resource)

Windowing Feature: used

Empirical Probability Distributions of the Products

Greater Than Percentage			Condensate (Mbc)	Free (Gas Cap & Nonassociated) Gas (Mmcfg)	Solution Gas (Mmcfg)		
100	0	0	0	0	0		
99.99	0	0	0	0	0		
99	0	0	0	0	0		
95	0	0	0	0	0		
90	0	0	0	0	0		
85	0	0	0	0	0		
80	0	0	0	0	0		
75	21,929	14,742	1,016	24,793	9,887		
70	42,917	29,497	1,947	45,402	19,076		
65	63,594	44,397	2,508	62,651	31,144		
60	82,125	56,378	3,726	86,518	37,241		
55	101,450	69,836	4,466	104,260	48,293		
50	122,370	84,831	5,441	123,510	56,862		
45	146,430	101,690	6,172	147,230	69,519		
40	172,800	119,690	7,530	172,600	83,612		
35	203,350	141,610	8,749	196,510	101,330		
30	241,440	165,760	10,391	249,510	117,410		
25	286,150	196,140	12,318	286,920	149,690		
20	340,650	239,200	14,768	326,690	160,470		
15	417,900	289,190	18,238	421,110	199,730		
10	537,930	371,720	22,688	526,810	279,810		
8	607,100	421,210	27,143	602,410	289,710		
6	707,840	492,450	29,129	674,670	372,090		
5	776,680	536,260	33,135	778,370	386,560		
4	884,330	603,120	42,664	924,300	416,300		
2	1,158,200	802,940	54,968	1,122,600	565,040		
1	1,477,200	1,020,900	67,621	1,469,100	715,420		
0.1	2,896,300	2,170,100	33,475	1,269,200	2,624,300		
0.01	3,404,400	2,292,600	137,680	3,246,200	2,228,400		
0.001	5,347,000	3,843,200	181,440	3,379,000	4,052,300		

Table 5. Assessment results by commodity for Beaufort Sea play 11, 2006 assessment.

Play 11	Model Simulation "Pools" Reported by "Fields lay 11 - Brookian Unstructured Western Turbidite Al Key: AAAABAS										e.out" G	RASP M	lodule										
Classification and Size Pool Count Statisti					stics	Types Co	ount	Mixed Pool Range		Oil Pool Range		Gas Pool Range		Total Pool Range			Pool Resource Stati		Statistics (MMBOE)				
Class	Min (MMBOE)	Max (MMBOE)	Pool Count	Percentage	Trial Average	Trials w/Pool Avg		Mixed Pool	Oil Pool	Gas Pool	Min	Max	Min	Max	Min	Max	Min	Max		Min	Max	Total Resource	Average Resource
1	0.0312	0.0625	2	0.006787	0.0002	0.000253		2	0	0	1	1	0	0		0 0	1	1	1 1	0.058667	0.061954	0.120621	60.310282
2	0.0625	0.125	8	0.027147	0.0008	0.001012		8	0	0	1	1	0	0	(0	1	1	1 1	0.083422	0.116025	0.819815	102.476887
3	0.125	0.25	49	0.166276	0.0049	0.006195		49	0	0	1	1	0	0		0 0	1	1	1 1	0.125614	0.246215	9.143597	186.604023
4	0.25	0.5	121	0.410601	0.0121	0.015299		121	0	0	1	2	0	0	(0 0	1	2	1 1	0.252750	0.499441	46.236057	382.116169
5	0.5	1	251	0.851743	0.0251	0.031736		251	0	0	1	2	0	0	(0 0	1	2	1 1	0.501047	0.998665	186.470019	742.908418
6	1	2	577	1.95799	0.0577	0.072955		577	0	0	1	2	0	0	(0 0	1	2	1 1	1.008875	1.999038	868.425079	1.505069
7	2	4	1397	4.740575	0.1397	0.176634		1397	0	0	1	3	0	0	(0	1	3]	2.001027	3.997903	4191.501000	3.000359
8	4	8	2916	9.895144	0.2916	0.368694		2916	0	0	1	4	0	0	(0	1	4		4.002099	7.999801	17459.037000	5.987324
9	8	16	4647	15.769114	0.4647	0.587558		4647	0	0	1	4	0	0	(0	1	4	1	8.002460	15.994928	54901.631000	11.814425
10	16	32	5886	19.973532	0.5886	0.744215		5886	0	0	1	5	0	0	(0	1	5	1	16.003026	31.997586	136310.923000	23.158499
11	32	64	5456	18.514372	0.5456	0.689847		5456	0	0	1	5	0	0	(0	1	5	1	32.000270	63.997678	249885.600000	45.800148
12	64	128	4129	14.011334	0.4129	0.522063		4129	0	0	1	5	0	0	(0	1	5	1	64.010037	127.989305	370003.439000	89.610909
13	128	256	2307	7.828566	0.2307	0.291693		2307	0	0	1	4	0	0	(0	1	4	1	128.025279	255.896791	409796.573000	177.631805
14	256	512	1123	3.810784	0.1123	0.14199		1123	0	0	1	3	0	0	(0 0	1	3	1	256.169295	510.393885	398501.576000	354.854462
15	512	1024	463	1.571143	0.0463	0.058541		463	0	0	1	2	0	0	(0 0	1	2	1 [512.472241	1021.062000	331830.630000	716.696838
16	1024	2048	118	0.400421	0.0118	0.01492		118	0	0	1	2	0	0	(0	1	2	1	1025.746000	2030.997000	158784.570000	1.345632
17	2048	4096	19	0.064475	0.0019	0.002402		19	0	0	1	1	0	0	(0	1	1	1	2151.253000	3303.819000	51170.484000	2.693183
18	4096	8192	0	0	0	0		0	0	0	0	0	0	0	(0 0	0	0] [0.000000	0.000000	0.000000	0.000000
19	8192	16384	0	0	0	0		0	0	0	0	0	0	0	(0	0	0		0.000000	0.000000	0.000000	0.000000
20	16384	32768	0	0	0	0		0	0	0	0	0	0	0	(0	0	0] [0.000000	0.000000	0.000000	0.000000
21	32768	65536	0	0	0	0		0	0	0	0	0	0	0	(0 0	0	0] [0.000000	0.000000	0.000000	0.000000
22	65536	131072	0	0	0	0		0	0	0	0	0	0	0	(0 0	0	0] [0.000000	0.000000	0.000000	0.000000
23	131072	262144	0	0	0	0		0	0	0	0	0	0	0	(0	0	0] [0.000000	0.000000	0.000000	0.000000
24	262144	524288	0	0	0	0		0	0	0	0	U	0	0	(,	0	0] [0.000000	0.000000	0.000000	0.000000
25	524288	1048576	0	0	0	0		0	0	0	0	0	0	0	(0 0	0	0		0.000000	0.000000	0.000000	0.000000
Not Clas			0	0	0	0	Below Class	0	0	0									Below Class	0.000000	0.000000	0.000000	0.000000
		Totals	29469	100.000015	2.9469	3.726008	Above Class	0	0	0	l								Above Class	0.000000	0.000000	0.000000	0.000000
Numbe	Number of Pools not Classified: 0 Number of Trials with Pools: 7909																						

Table 6. Statistics for simulation pools created in computer sampling run for Beaufort Sea play 11, 2006 assessment.

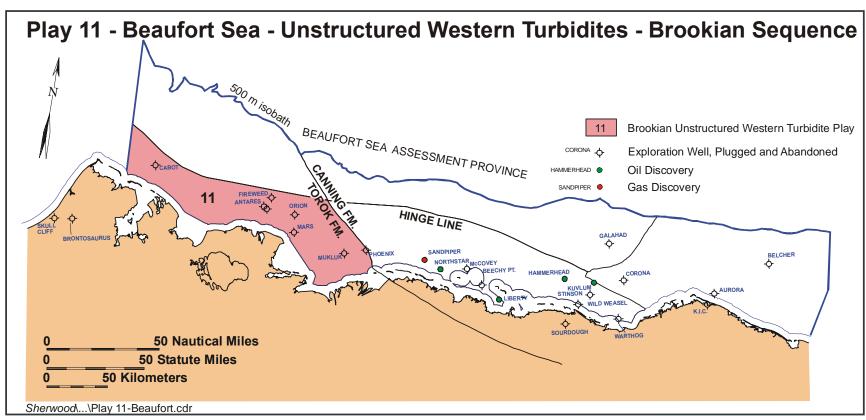


Figure 1. Map location of Beaufort Sea play 11, 2006 assessment.